

BUDGET HEARING and SPECIAL BOARD MEETING of June 25, 2008, with Mayor Don Mullen and Comms. Amy Patterson, Hank Ross, Dennis DeWolf, Larry Rogers, and John Dotson present.

Also present were Richard Betz, Lamar Nix, Joe Cooley, Josh Ward, Selwyn Chalker, Hilda Brown, Kim Lewicki, Jim Lewicki, Melody Spurney, Eric NeSmith, Alan Marsh, John Cleaveland, Zeke Sossomon, Jack Bournemann, Tony Potts, David Bock, Bill Wilder, Bob Kieltyka, Alan Schultz, Mercedes Heller, King Young, Thomas Craig, Joel Crook, and others.

A. BUDGET HEARING.

The Mayor called the Budget Hearing to order and announced that this was the time and place for the duly-advertized hearing for the purpose of discussing the proposed FY 08-09 budget presented on May 28, and amending the Budget for the Year Ending June 30, 2007. There were no comments from the public, and he closed the hearing.

B. SPECIAL BOARD MEETING.

I. Call to Order.

The Mayor called the Special Board Meeting to order at 7:00 p.m.

II. Approval of Agenda.

Copies of the agenda had been distributed by mail. The Town Administrator requested the addition of three items: discussion of parking standards in the Zoning Ordinance, request for a structure in the right-of-way by Joel Crook, and approval of the Cost of Living Allowance (COLA) and individual salary recommendations following the Closed Session already scheduled.

MOVED BY COMM. DEWOLF, SECONDED BY COMM. ROGERS, AND UNANIMOUSLY CARRIED TO APPROVE THE AGENDA AS AMENDED.

III. Approval of Minutes.

Copies of the minutes of the June 4 Regular Board Meeting had been distributed by mail.

MOVED BY COMM. PATTERSON, SECONDED BY COMM. DEWOLF, AND UNANIMOUSLY CARRIED TO APPROVE THE MINUTES AS DISTRIBUTED.

IV. Reports.

1. Comm. Ross reported that the Public Works Committee had met on June 24 and discussed, among other topics, recycling; a contractor in the business had been present and was working on a written proposal for curbside recycling, and at the same time the Committee felt the Town needed to continue to look at the feasibility of a recycling center.

He also said that the Committee had discussed the Town's policy of requiring 100% of the property owners along Wyanoak Road to convey right-of-way before paving the road, as discussed at the previous meeting; the committee recommended changing the policy to 90% of the property owners when in the best interest of the public. After some discussion, the Board agreed to place this item on the agenda of the July 16 agenda and meanwhile to ask the Town Attorney to review the legality of the policy.

Comm. Ross said that the Committee had also discussed the possibility of installing a security monitoring system on all Town facilities in light of the recent vandalism at the Recreation Park. The Town Administrator said Matt Shuler had discussed this with him and he offered to ask him to look into a cost estimate. John Cleaveland was present and said he felt the rear gate should be closed at the Park.

Comm. Rogers said that he and the Town Engineer had looked at the sewer line along Chestnut Street that Doug Helms would be installing at his own expense, approved on February 6, 2008. In order that it not prohibit extension of the line in the future to others along Chestnut Street, he recommended that the line be lowered so that it could provide gravity sewer service in the future; the Town Engineer had offered to call Mr. Helms and ask that the line be lowered. The Board also asked that an estimate be made of the cost of extending the line.

2. The Town Administrator distributed copies of a letter from Martin Starnes Associates required for the annual audit. He also reported that, according to the District Engineer, placement of stone on Hickory Hill, Chowan, and Cullasaja Drive was scheduled for sometime between July 21 and August 21; paving would follow shortly after the stone. He also reported that Matt Shuler was continuing to re-inventory all of the poles which McGavran had supposedly audited; many errors had been corrected.

V. Old Business.

1. At the June 4 meeting, each Board member had been given a copy of a proposed amendment revising the Outdoor Display of Merchandise requirements in the Zoning Ordinance. Planning Director Joe Cooley explained that the revision had been developed by the Planning Board, reviewed by the Town Attorney, and re-drafted by him; it would require a new public hearing.

MOVED BY COMM. DEWOLF, SECONDED BY COMM. ROSS, AND UNANIMOUSLY CARRIED TO SET A PUBLIC HEARING FOR 7:00 P.M. ON AUGUST 6 TO RECEIVE COMMENTS ON THE PROPOSED AMENDMENT.

VI. New Business.

1. The Board reviewed the Ordinance amending the FY 07-08 budget, copies of which were distributed at the meeting. The Town Administrator explained that the purpose of amending the budget was to satisfy auditing requirements by adjusting estimates used to prepare the original budget and to recognize decisions made to fund new projects during the fiscal year. Numbers used for the amended budget were only estimates; actual revenues and expenditures would be reflected in the audit.

MOVED BY COMM. PATTERSON, SECONDED BY COMM. ROSS, AND UNANIMOUSLY CARRIED TO ADOPT AN ORDINANCE TO AMEND THE BUDGET OF THE TOWN OF HIGHLANDS FOR THE FISCAL YEAR JULY 1, 2007 THROUGH JUNE 30, 2008. A copy is attached hereto and made a permanent part of this record.

2. The Board reviewed the proposed FY 08-09 budget, copies of which were distributed at the meeting. The Town Administrator reported that he had incorporated the items identified at the budget work sessions into the new budget and budget message; the tax rate would remain the same.

MOVED BY COMM. PATTERSON, SECONDED BY COMM. ROGERS, AND UNANIMOUSLY CARRIED TO ADOPT THE TOWN OF HIGHLANDS BUDGET ORDINANCE FOR THE FISCAL YEAR JULY 1, 2008 THROUGH JUNE 30, 2009, WITH AN AD VALOREM TAX RATE OF 0.135 PER \$100.00 VALUATION, AS PRESENTED. A copy is attached hereto and made a permanent part of this record.

3. The budget had included proposed amendments of the Fee Schedule for Solid Waste and pole attachments. The

proposed Solid Waste amendment consisted of an increase in residential garbage rates from \$14.00 monthly to \$16.00; it would generate \$47,450 in revenue.

MOVED BY COMM. PATTERSON, SECONDED BY COMM. ROGERS, AND UNANIMOUSLY CARRIED TO AMEND THE SOLID WASTE RATES.

The proposed amendment of the pole attachment fees doubled them, from \$10.00 to \$20.00 per pole, increasing revenues from \$40,000 to \$80,000 annually; the revenue would fund pole replacements to correct clearance violations. David Sugar, Business Manager for Northland Cable, was present and said the rates were already much higher than those paid to Verizon and Duke Power, \$4.87 and \$5.96 per pole; the increase would have to be passed on to customers. The Town Administrator offered to check with other Electric Cities to see how the fees compared; fees were not billed until the first of January. The Board agreed to postpone action until then.

4. Comm. Ross introduced Bill Wilder, owner of Wilder Consulting from Charlotte, a consultant recommended by Becky Veazey from the MAPS group, which had conducted a pay plan review for the Town two years ago. Mr. Wilder presented a proposal for searching for a Town Manager, copies of which had been included in the agenda package. He reviewed his qualifications, and then outlined his approach for beginning the search.

The Mayor then asked the Board if it wanted to proceed with adopting a Resolution of Intent to amend the Town Charter to provide for a Council-Manager form of government, as discussed at the May 7 meeting.

MOVED BY COMM. PATTERSON, SECONDED BY COMM. ROGERS, AND UNANIMOUSLY CARRIED TO ADOPT THE FOLLOWING RESOLUTION, AND AT THE SAME TIME TO SET A PUBLIC HEARING FOR 6:00 P.M. ON AUGUST 6

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RESOLUTION OF INTENT

WHEREAS, the "Council-Manager" form of government is authorized and appropriate for municipalities such as the Town of Highlands, which provides a high level and number of municipal services to its citizens, has more than 25 regular employees, and has experienced substantial growth in recent years; and

WHEREAS, the Board of Commissioner of the Town has carefully considered the needs of the Town and the relative advantages and disadvantages of each form of government for municipalities; and

WHEREAS, the Board of Commissioners has determined that the "Council-Manager" form of government would best suit the need of the Town of Highlands

NOW, THEREFORE, the Board of Commissioners of the Town of Highlands hereby adopts the following resolution:

1. The ordinance to be considered shall be an amendment of the Charter of the Town of Highlands to provide for the Council-Manager form of government as allowed by N.C.G.S. 160A-101(9)(b) and as that form of government is described in N.C.G.S. 160A-147 through 160A-152.

2. The specific provisions of the Charter to be amended shall be as follows:

a. Sec. 4.1 "Form of government" shall read, "The town operates under the council-manager form of government, in accordance with Part 2 of Article 7 of Chapter 160A of the General Statutes."

This resolution is adopted this 25th day of June, 2008.

* * *

The Board agreed by consensus to take Mr. Wilder's proposal under advisement until the next meeting.

5. Comm. Ross reported that the Pine Street Park Committee had met with the Recreation Committee and agreed to recommend a conceptual Master Plan for the Park. He then reviewed the process of developing the plan in some detail and presented the design to the Board. The plan included a restroom/storage building, a pavilion/bandshell building, native stone runners mimicking the legendary "X" Kelsey and Hutchinson had drawn on a map, a founders monument, stone plaza, interactive fountain, and Nordman spruce Christmas tree. The street would be re-routed to the south, on Park property.

John Cleaveland was present and asked if this was the final plan or if Pine Street would eventually be closed. Comm. Ross said this was as far as the plan goes. Mr. Cleaveland asked about the cost and the Mayor said we have not gotten that far. Bob KIELTYKA asked about parking, and was told only five to six spaces would be lost. Comm. Rogers expressed some concern over limitations the re-routed street might place on truck traffic. Comm. Ross said that part of the intent was to discourage traffic. Tony Potts was present from Macon Bank and said that the bank would not object to providing an easement for the use of their adjacent property.

MOVED BY COMM. DEWOLF, SECONDED BY COMM. ROSS, AND UNANIMOUSLY CARRIED TO ACCEPT THE PLAN.

Comm. Ross said that the Committee recommended that the name be changed to the Kelsey-Hutchinson Park.

6. Final subdivision plats for Riverwalk, Phases IV and VI, had been reviewed by the Town Engineer and recommended for approval by the Planning Board.

MOVED BY COMM. ROGERS, SECONDED BY COMM. DOTSON, AND UNANIMOUSLY CARRIED TO APPROVE THE FINAL PLATS.

7. A final subdivision plat for Woodland Ridge had been reviewed by the Town Engineer and recommended for approval by the Planning Board. A letter in the agenda package from the Town Engineer pointed out that the roads had been constructed prior to the extension of ETJ but not recorded at the time, and therefore did not meet Town subdivision standards.

MOVED BY COMM. ROSS, SECONDED BY COMM. PATTERSON, AND UNANIMOUSLY CARRIED TO APPROVE THE FINAL PLAT.

8. Planning Director Joe Cooley explained a zoning problem the Town was having in shopping centers with variable uses - such as restaurants, beauty salons, and furniture stores - when those uses changed. He suggested that the parking requirements be modified to a square-footage basis, as was done in other jurisdictions. He had discussed this with the Planning Board at its meeting on June 23 and they had agreed in concept. He suggested setting a public hearing while he drafted such an amendment, had it reviewed by the Town Attorney, and sent it back to the Planning Board for final recommendation.

MOVED BY COMM. DEWOLF, SECONDED BY COMM. ROGERS, AND UNANIMOUSLY CARRIED TO SET A PUBLIC HEARING FOR 7:00 P.M. ON AUGUST 6.

9. Comm. Dotson said he thought the Town should revisit the two-hour parking restriction in the downtown area; he felt it was a detriment to retailers. At the same time, he felt that the employee business district parking ordinance was functioning well and needed to remain in place. John Cleaveland agreed; he pointed out that merchants were not having a good year and that the Town should be proactive in helping the business community. Mayor Mullen agreed. In further discussion, Comm. Dotson felt that the employee-restricted parking should be extended to the center aisles on Main Street, where it was currently two-hour restricted, but that parking stickers should be issued to each of the real estate offices on Main Street to permit them to park two vehicles each on Main Street. Comm. Ross felt that the Town had spent a lot of time developing the parking regulations and they had been put in place for a reason; he would like to study the question before voting to eliminate it. Comm. DeWolf agreed. Bob KIELTYKA reminded the Board that the

Chamber of Commerce had recommended the previous March that the two-hour parking be eliminated. Jerry Moore agreed that elimination of the parking would make Main Street more friendly. The Mayor called the question.

MOVED BY COMM. DOTSON, SECONDED BY COMM. ROGERS, AND CARRIED THAT THE TWO-HOUR PARKING RESTRICTIONS IN THE DOWNTOWN AREA BE ELIMINATED, THAT THE EMPLOYEE-RESTRICTED PARKING AREAS BE EXTENDED TO THE CENTER AISLES OF MAIN STREET, AND THAT REAL ESTATE OFFICES ON MAIN STREET BE PERMITTED TO PARK TWO VEHICLES EACH IN THE RESTRICTED AREA. Comms. Dotson, Rogers, and Patterson voted "aye;" Comms. DeWolf and Ross voted "nay."

10. Joel Crook was present with a request for permission to improve a parking area off Foreman Road in front of his property; the area had a boulder retaining wall and he wanted to pave it with cobblestone. Town Staff were not certain if the parking area was within the right-of-way or not, and the Board agreed to take the request under advisement until the next meeting when that could be determined. Comm. Patterson expressed concern over setting a precedent.

11. MOVED BY COMM. ROSS, SECONDED BY COMM. ROGERS, AND UNANIMOUSLY CARRIED TO GO INTO CLOSED SESSION PURSUANT TO G. S. §143-318.11(A)(6) TO REVIEW INDIVIDUAL SALARY RECOMMENDATIONS.

All present left the room except the Town Administrator and the Public Services Administrator.

The Board reviewed the annual salary recommendations presented by the Town Administrator.

MOVED BY COMM. ROSS, SECONDED BY COMM. DOTSON, AND UNANIMOUSLY CARRIED TO GO INTO OPEN SESSION. The room was opened to the public.

12. MOVED BY COMM. DEWOLF, SECONDED BY COMM. ROGERS, AND UNANIMOUSLY CARRIED TO ACCEPT THE RECOMMENDATIONS OF THE TOWN ADMINISTRATOR, AND TO APPROVE A 6% COLA FOR ALL EMPLOYEES.

VII. MOVED BY COMM. ROSS, SECONDED BY COMM. DOTSON, AND UNANIMOUSLY CARRIED TO ADJOURN.

There being no further business to come before the Board, the meeting was declared by the Mayor to be adjourned at 9:30 p.m.

Richard Betz, Town Clerk